WYC:lmp 09/27/10 PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Levy Art Unit: 2624
Application No: 10/774,312 Confirmation No: 5422

Filed: February 5,2004 VIA ELECTRONIC FILING

For: WATERMARKING SYSTEMS AND METHODS

 Examiner: K, Fujita
 PATENT 7,702,125

 Date: September 27, 2010
 ISSUED APRIL 20, 2010

REQUEST FOR RECONSIDERATION

of

August 27, 2010 DECISION by the Office of Petitions

APPLICATION FOR PATENT TERM ADJUSTMENT (Request for Reconsideration of PTO's Patent Term Adjustment Determination) (37 CFR 1.705(dt))

Sir,

Applicant requests reconsideration of the *Decision* by the Office of Petitions, mailed August 27, 2010.

Please charge any fee that may be due in connection with this paper to our deposit account 50-1071.

WYC:lmp 09/27/10 PATENT

Reason for Request for Reconsideration

In its *Decision*, the Office of Petitions excluded from "B" delay certain time said to be "consumed by appellate review."

Applicant respectfully submits that the questioned periods were not "consumed by appellate review."

Two Notices of Appeal were filed, one on August 4, 2008, and one on April 22, 2009. However, in neither case was the application even docketed by the BPAI for appellate review.

In neither case did the Office prepare an Examiner's Answer - a predicate to appellate review.

In neither case did the application even leave the art unit.

Rather, in both cases, upon reviewing the Appeal Brief, the Examiner issued an action (a non-final rejection in the former case, and a Notice of Allowance in the latter).

Section 154(b)(1)(B)(ii) excludes from "B" delay "...any time <u>consumed by appellate</u> <u>review by the Board of Patent Appeals and Interferences...</u>" In construing statutory provisions, except in the rarest of cases, the words of the statute are to be strictly construed. In the present case, the words require <u>appellate review by the Board</u>. Here there was none.

Moreover, see Rule 41.35. "Jurisdiction over the proceeding passes to the Board upon transmittal of the file, including all briefs and examiner's answers, to the Board."

Since the file was never transmitted to the Board (and the Examiner never prepared the requisite Answers), the Board never took jurisdiction. There can be no "time consumed by appellate review by the Board" where, as here, the Board never had jurisdiction.

The policy framework implemented by the Section 154 also is in accord. While the period "consumed by appellate review" is excluded as "B" delay, it is reciprocally included as "C" delay (provided an adverse determination of patentability is reversed). So the delay associated with appellate review is always credited to patent term – just under another part of

WYC:lmp 09/27/10 PATENT

Section 154. The contested *Decision*, however, upsets this balance – denying patent term under "B₄" while not reciprocally providing any under "C."

In the alternative, if the present facts are found to constitute "appellate review by the

Board," then applicant is believed entitled to extension of term under "C" for such appellate review (which, in each instance, resulted in reversal of an adverse decision of patentability).

The sounder decision, however, is believed to be one holding that there was no appellate review, since the Board never had jurisdiction.

DIGIMARC CORPORATION

Respectfully submitted, Date: September 27, 2010

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